



GENERAL ASSEMBLY

COMMONWEALTH OF KENTUCKY

2014 REGULAR SESSION

HOUSE BILL NO. 17

WEDNESDAY, JANUARY 22, 2014

The following bill was reported to the Senate from the House and ordered to be printed.

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ALISON LUNDERGAN GRIMES
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
BY R. Adler

1 AN ACT relating to reporting on economic incentive programs.

2 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3 ➔SECTION 1. A NEW SECTION OF SUBTITLE 12 OF KRS CHAPTER 154
4 IS CREATED TO READ AS FOLLOWS:

5 (1) The cabinet shall maintain a searchable electronic database on its Web site
6 containing information on the cost and status of the programs listed in
7 subsection (3)(a) of this section. The database shall include all projects approved
8 at any time in the last five (5) years and shall include for each, where applicable,
9 the following information:

10 (a) The name of the program, the recipient or participant, the type of project,
11 and its location by county;

12 (b) Total and approved costs of the project or investment, and the amount of
13 incentives or other benefits authorized;

14 (c) For the Kentucky Business Investment Program and the Kentucky
15 Enterprise Initiative Act, the amount of incentives or other benefits actually
16 recovered as self-reported by the recipient;

17 (d) The number of new jobs estimated and for the Kentucky Business
18 Investment Program and the Kentucky Enterprise Initiative Act, actually
19 created, along with wage information for those jobs;

20 (e) Project status and the date and nature of the most recent activity; and

21 (f) Any other comparable data or information necessary to achieve
22 transparency and accountability for the specified programs.

23 (2) In addition to the electronic database required in subsection (1) of this section,
24 the cabinet shall submit a single annual report on the programs listed in
25 subsection (3)(b) of this section to the Governor and the Legislative Research
26 Commission by November 1 of each year. The report shall include all projects
27 approved in the preceding fiscal year and shall provide for these projects the

information specified in subsection (1) of this section plus aggregate data for each program, summary evaluations of program activity and effectiveness, and anything required by statute to be reported for any particular program. The report shall also list all projects that were approved in prior years but active at any time in the preceding fiscal year, although for these projects the report need not provide further data.

(3) The following programs shall be subject to the reporting requirements of this section:

(a) The electronic database required in subsection (1) of this section shall include the Bluegrass State Skills Corporation, Grants-in-Aid and Skills Training Investment Credit; Kentucky Business Investment Program; Kentucky Enterprise Initiative Act; Department of Commercialization and Innovation programs; Incentives for Energy Independence Act; Kentucky Economic Development Finance Authority small business and direct loan programs; Kentucky Environmental Stewardship Act; Kentucky Industrial Revitalization Act; Kentucky Reinvestment Act; Small Business Investment Credit; Economic Development Bonds; Kentucky Industrial Development Act; Kentucky Jobs Development Act; Kentucky Jobs Retention Act; and the Kentucky Rural Economic Development Act.

(b) The single annual report required by subsection (2) of this section shall include all programs listed in paragraph (a) of this subsection plus the Kentucky Investment Fund Act, the Tourism Development Act, Film Production Industry Incentives, and Tax Increment Financing, state participation projects.

(4) The cabinet shall coordinate with the Tourism, Arts and Heritage Cabinet and any other agency necessary to supply the information required by this section.

➔Section 2. KRS 148.546 is amended to read as follows:

- 1 (1) An eligible company shall, at least thirty (30) days prior to incurring any
2 expenditure for which recovery will be sought, file an application for tax incentives
3 with the office. The application shall include:
- 4 (a) The name and address of the applicant;
 - 5 (b) The production script or a detailed synopsis of the script;
 - 6 (c) The anticipated date on which filming or production shall begin;
 - 7 (d) The anticipated date on which the production will be completed;
 - 8 (e) The total anticipated qualifying expenditures;
 - 9 (f) The total anticipated qualifying payroll expenditures for above-the-line crew;
 - 10 (g) The total anticipated qualifying payroll expenditures for below-the-line crew;
 - 11 (h) The address of a Kentucky location at which records of the production will be
12 kept;
 - 13 (i) An affirmation that if not for the incentive offered under KRS 148.542 to
14 148.546, the eligible company would not film or produce the production in the
15 Commonwealth; and
 - 16 (j) Any other information the office may require.
- 17 (2) The office shall notify the eligible company within thirty (30) days after receiving
18 the application of its status.
- 19 (3) (a) Upon review of the application and any additional information submitted, the
20 office shall present the application and its recommendation to the Tourism
21 Development Finance Authority established by KRS 148.850 which may, by
22 resolution, authorize the execution of a tax incentive agreement between the
23 Tourism Development Finance Authority and the approved company.
- 24 (b) 1. The total amount of tax credits authorized by the Tourism Development
25 Finance Authority during fiscal year 2010-2011 shall not exceed five
26 million dollars (\$5,000,000).
 - 27 2. The total amount of tax credits authorized by the Tourism Development

1 Finance Authority during the fiscal year 2011-2012 shall not exceed
2 seven million five hundred thousand dollars (\$7,500,000).

3 (4) The tax incentive agreement shall include the following provisions:

4 (a) The duties and responsibilities of the parties;

5 (b) A detailed description of the motion picture or entertainment production for
6 which incentives are requested;

7 (c) The anticipated qualifying expenditures and qualifying payroll expenditures
8 for both above-the-line and below-the-line crews;

9 (d) The minimum combined total of qualifying expenditures and qualifying
10 payroll expenditures necessary for the approved company to qualify for
11 incentives;

12 (e) That the approved company shall have no more than two (2) years from the
13 date the tax incentive agreement is executed to start the motion picture or
14 entertainment production;

15 (f) That the approved company shall have no more than four (4) years from the
16 execution of the tax incentive agreement to complete the motion picture or
17 entertainment production;

18 (g) That the motion picture or entertainment production shall not include obscene
19 materials and shall not negatively impact the economy or the tourism industry
20 of the Commonwealth;

21 (h) That the execution of the agreement is not a guarantee of tax incentives and
22 that actual receipt of the incentives shall be contingent upon the approved
23 company meeting the requirements established by the tax incentive
24 agreement;

25 (i) That the approved company shall submit to the office within one hundred
26 eighty (180) days of the completion of the motion picture or entertainment
27 production a detailed cost report of the qualifying expenditures, qualifying

- 1 payroll expenditures, and final script;
- 2 (j) That the approved company shall provide the office with documentation that
- 3 the approved company has withheld income tax as required by KRS 141.310
- 4 on all qualified payroll expenditures for which an incentive under KRS
- 5 141.383 and 148.544 is sought;
- 6 (k) That, if the office determines that the approved company has failed to comply
- 7 with any of its obligations under the tax incentive agreement:
- 8 1. The office may deny the incentives available to the approved company;
- 9 2. Both the office and the cabinet may pursue any remedy provided under
- 10 the tax incentive agreement;
- 11 3. The office may terminate the tax incentive agreement; and
- 12 4. Both the office and the cabinet may pursue any other remedy at law to
- 13 which it may be entitled;
- 14 (l) That the office shall monitor the tax incentive agreement;
- 15 (m) That the approved company shall provide to the office and the cabinet all
- 16 information necessary to monitor the tax incentive agreement;
- 17 (n) That the office may share information with the cabinet or any other entity the
- 18 office determines is necessary for the purposes of monitoring and enforcing
- 19 the terms of the tax incentive agreement;
- 20 (o) That the motion picture or entertainment production shall contain an
- 21 acknowledgment that the motion picture production was filmed or the touring
- 22 show was produced in the Commonwealth of Kentucky;
- 23 (p) Terms of default;
- 24 (q) The method and procedures by which the approved company shall request and
- 25 receive the incentive provided under KRS 141.383 and 148.544;
- 26 (r) That the approved company may be required to pay an administrative fee as
- 27 authorized under subsection (5) of this section; and

- 1 (s) Any other provisions deemed necessary or appropriate by the parties to the tax
2 incentive agreement.
- 3 (5) The office may require the approved company to pay an administrative fee, the
4 amount of which shall be established by administrative regulation promulgated in
5 accordance with KRS Chapter 13A. The administrative fee shall not exceed one-
6 half of one percent (0.5%) of the estimated amount of tax incentive sought or five
7 hundred dollars (\$500), whichever is greater.
- 8 (6) Prior to commencement of activity as provided in a tax incentive agreement, the tax
9 incentive agreement shall be submitted to the Government Contract Review
10 Committee established by KRS 45A.705 for review, as provided in KRS 45A.695,
11 45A.705, and 45A.725.
- 12 (7) The office shall notify the cabinet upon approval of an approved company. The
13 notification shall include the name of the approved company, the name of the
14 motion picture or entertainment production, the estimated amount of qualifying
15 expenditures, the estimated date on which the approved company will complete
16 filming or production, and any other information required by the cabinet.
- 17 (8) Within one hundred eighty days (180) days of completion of the motion picture or
18 entertainment production, the approved company shall submit to the office a
19 detailed cost report of:
- 20 (a) Qualifying expenditures;
21 (b) Qualifying payroll expenditures for above-the-line crew;
22 (c) Qualifying payroll expenditures for below-the-line crew; and
23 (d) The final script.
- 24 (9) (a) The office, together with the secretary, shall review all information submitted
25 for accuracy and shall confirm that all relevant provisions of the tax incentive
26 agreement have been met.
- 27 (b) Upon confirmation that all requirements of the tax incentive agreement have

1 b'een met, the office, and the secretary shall review the final script, and if they
2 determine that the motion picture or entertainment production does not:

- 3 1. Contain visual or implied scenes that are obscene; or
- 4 2. Negatively impact the economy or the tourism industry of the
5 Commonwealth;

6 the office shall forward the detailed cost report to the cabinet for calculation
7 of the refundable credit.

8 (10) The cabinet shall verify that the approved company withheld the proper amount of
9 income tax on qualifying payroll expenditures, and the cabinet shall notify the
10 office of the total amount of refundable credit available on qualifying expenditures
11 and qualifying payroll expenditures.

12 (11) On or before October 1, 2010, and on or before each October 1 thereafter, for the
13 immediately preceding fiscal year, the office shall report to the Tourism
14 Development Finance Authority:

- 15 (a) The number of tax incentive agreements that have been executed;
- 16 (b) The estimated amount of tax incentives that have been requested under KRS
17 141.383 and 148.542 to 148.546; and
- 18 (c) The amount of tax incentives approved under KRS 139.538, 141.383, and
19 148.542 to 148.546.

20 (12) (a) By November~~[October 1, 2010, and on or before October]~~ 1 of each year~~[~~
21 thereafter], the authority shall file an annual report with the Governor and the
22 Legislative Research Commission. The report shall be submitted in
23 cooperation with the Cabinet for Economic Development and included in
24 the single annual report required in Section 1 of this Act. The report shall
25 also be available on the Tourism, Arts and Heritage Cabinet's Web site.

- 26 (b) The report shall include information for all motion picture or entertainment
27 production projects approved.

1 (c) The report shall include the following information:

- 2 1. For each approved motion picture or entertainment production project:
 - 3 a. The name of the approved company and a brief description of the
 - 4 project;
 - 5 b. The amount of approved costs included in the agreement; and
 - 6 c. The total amount recovered under the tax incentive agreement;
- 7 2. The number of applications for projects submitted during the prior fiscal
- 8 year;
- 9 3. The number of projects finally approved during the prior fiscal year; and
- 10 4. The total dollar amount approved for recovery for all projects approved
- 11 during the prior fiscal year, and cumulatively under KRS 141.383 and
- 12 148.542 to 148.546 since its inception, by year of approval.

13 (d) The information required to be reported under this section shall not be
 14 considered confidential taxpayer information and shall not be subject to KRS
 15 Chapter 131 or any other provisions of the Kentucky Revised Statutes
 16 prohibiting disclosure or reporting of information.

17 ➔Section 3. KRS 148.8591 is amended to read as follows:

18 (1) By November~~[October 1, 2010, and on or before October]~~ 1 of each year~~{~~
 19 ~~thereafter]~~, the authority shall file an annual report with the Governor and the
 20 Legislative Research Commission. The report shall be submitted in cooperation
 21 with the Cabinet for Economic Development and included in the single annual
 22 report required in Section 1 of this Act. The report shall also be available on the
 23 Tourism, Arts and Heritage Cabinet's Web site.

24 (2) The report shall include information for all projects approved after June 26, 2009.

25 (3) The report shall include the following information:

26 (a) For each approved project:

- 27 1. The name of the approved company and a brief description of the

- 1 project;
- 2 2. The amount of approved costs included in the agreement;
- 3 3. The maximum amount of incentives the approved company may recover
- 4 over the term of the agreement;
- 5 4. The term of the agreement; and
- 6 5. The total amount recovered under the agreement, reported for both the
- 7 prior fiscal year and cumulatively;
- 8 (b) The number of applications for projects submitted during the prior fiscal year;
- 9 (c) The number of projects finally approved during the prior fiscal year; and
- 10 (d) The total dollar amount approved for recovery for all projects approved during
- 11 the prior fiscal year, and cumulatively under the Tourism Development Act
- 12 since its inception, by year of approval.
- 13 (4) The information required to be reported under this section shall not be considered
- 14 confidential taxpayer information and shall not be subject to KRS Chapter 131 or
- 15 any other provision of the Kentucky Revised Statutes prohibiting disclosure or
- 16 reporting of information.
- 17 ➔Section 4. KRS 154.12-100 is amended to read as follows:
- 18 (1) "Economic development bonds" means the bond program authorized by the General
- 19 Assembly for the purpose of promoting economic development within the state.
- 20 (2) The economic development bond program shall be administered by the secretary of
- 21 the Cabinet for Economic Development. The board shall promulgate administrative
- 22 regulations in accordance with KRS Chapter 13A for project selection criteria. The
- 23 project selection criteria shall include, but not be limited to, the following:
- 24 (a) Potential job creation or job retention;
- 25 (b) Degree of public or private and local involvement;
- 26 (c) Degree and conditions of project payback; and
- 27 (d) Provision of child care assistance for employees' dependents aged twelve (12)

1 years and younger. For the purpose of this section, child care assistance means
2 onsite child care, child care information and referral, the purchasing of child
3 care through vouchers or contracts, and any other form of child care assistance
4 deemed applicable by the secretary.

5 (3) Prior to submission of an economic development bond project to the Capital
6 Projects and Bond Oversight Committee, the secretary of the Cabinet for Economic
7 Development shall receive a written commitment from the public or private
8 organization which has requested state bonds outlining projected job creation and
9 retention, an investment breakdown, and overall project description. This shall be
10 submitted by the secretary to the Capital Projects and Bond Oversight Committee.
11 Subsequently, the secretary of the Cabinet for Economic Development shall execute
12 a written agreement with the public or private organizations involved expressing in
13 detail the respective obligations on the parties, which shall thereafter be
14 automatically forwarded to the committee for its records.

15 (4) Projects of state agencies as defined in KRS 42.005 shall not be eligible for funding
16 from the economic development bond program, unless expressly provided in a
17 branch budget bill. Airport construction and renovation projects shall be eligible for
18 funding under this section. The secretary of the Cabinet for Economic Development
19 shall consult with the secretary of the Finance and Administration Cabinet on the
20 terms and conditions relating to the use of state economic development bonds
21 before any commitment is made on any project to any public or private
22 organization. Before any economic development bonds are issued, the proposed
23 bond issue shall be approved by the board, and the State Property and Buildings
24 Commission, under the provisions of KRS 56.450.

25 (5) Following the approval by the board, the project shall be presented by the secretary
26 of the Cabinet for Economic Development or his designee with supporting
27 documentation for review and approval at the next regularly scheduled meeting of

the Capital Projects and Bond Oversight Committee pursuant to KRS 45.810 and at the next regularly scheduled meeting of the State Property and Buildings Commission.

(6) Notwithstanding the provisions of KRS 56.872(3), the amount of economic development bonds issued during any biennium shall not exceed the amount stated in the biennial budget.

(7) The Cabinet for Economic Development shall submit an annual report to the Capital Projects and Bond Oversight Committee, and to the Governor and Legislative Research Commission as required in Section 1 of this Act, showing the economic development bonds issued during the previous fiscal year and the amounts paid back and the balance still owing with respect to loans made by the Cabinet for Economic Development with proceeds of economic development bonds during the previous five (5) fiscal years.

➔ Section 5. KRS 154.12-208 is amended to read as follows:

The corporation shall annually submit a complete and detailed report of its activities by November 1 of each year ~~[within one hundred twenty (120) days after the end of each fiscal year]~~ to the Legislative Research Commission and to the Governor, as required in Section 1 of this Act. The annual report shall include, but not be limited to, descriptions of all programs funded, an evaluation of the performance of each program, a summary of expenditures, and a detailed description of the participants.

➔ Section 6. KRS 154.12-278 is amended to read as follows:

(1) As used in this section, "cluster" and "knowledge-based" shall have the same meaning as in KRS 164.6011.

(2) There is established the Department of Commercialization and Innovation in the Cabinet for Economic Development. The department shall be headed by a commissioner appointed by the Governor under KRS 12.040.

(3) The duties of the Department of Commercialization and Innovation shall include

1 but not be limited to:

2 (a) Implement the Kentucky Innovation and Commercialization Center Program
3 as set forth in KRS 154.12-300 to 154.12-310;

4 (b) Monitor the return on investments and effectiveness of the Kentucky
5 Innovation Act initiatives as set forth in the Strategic Plan for the New
6 Economy as approved by the Kentucky Innovation Commission, January 7,
7 2002, or as revised, and report annually ~~by~~^{prior to} November 1 to the
8 Kentucky Innovation Commission, and to the Governor~~;~~ and the Legislative
9 Research Commission, as required in Section 1 of this Act~~[General~~
10 ~~Assembly]~~;

11 (c) Oversee the modernization initiative in KRS 154.12-274;

12 (d) Assist the cabinet in the recruitment of research and development companies;

13 (e) Assist the cabinet in the attraction of high-technology research and
14 development centers;

15 (f) Support growth and creation of knowledge-based, innovative companies;

16 (g) Build the infrastructure for the new economy businesses and promote
17 networks of technology-driven clusters and research intensive industries;

18 (h) Administer the high-tech construction pool and the high-tech investment pool;

19 (i) Recommend projects to the Kentucky Economic Development Finance
20 Authority for funding through the high-tech construction pool and high-tech
21 investment pool; and

22 (j) Review and approve the annual plan which details the annual allocation of
23 funds from the Science and Technology Funding Program, prior to the
24 Council on Postsecondary Education executing a contract with the science and
25 technology organization to administer science and technology funding
26 programs. As used in this paragraph, the Science and Technology Funding
27 Program means the Kentucky Enterprise Fund Program, the Rural Innovation

1 Program, the Kentucky Commercialization Program, The Regional
 2 Technology Corporations/Innovation and Commercialization Center
 3 Satellites, and the Experimental Program to Stimulate Competitive
 4 Research/Kentucky Science and Engineering Foundation.

5 (4) The high-tech construction pool shall be used for projects with a special emphasis
 6 on the creation of high-technology jobs and knowledge-based companies. The
 7 commissioner, in administering the high-tech construction pool, shall recommend
 8 distribution of funds and projects to the Kentucky Economic Development Finance
 9 Authority for its approval. The commissioner shall recommend any designated
 10 amount of pool funds to be set aside for any match requirements. Any funds used
 11 for matching purposes may include public and private funds.

12 (5) The high-tech investment pool shall be used to build and promote technology-
 13 driven industries and research-intensive industries, as well as their related suppliers,
 14 with the goal of creating clusters of innovation-driven industries in Kentucky. The
 15 commissioner, in administering the high-tech investment pool, shall be authorized
 16 to recommend funds to be used to support loans and grants, or to secure an equity or
 17 related position.

18 (6) The Kentucky Economic Development Finance Authority shall assure in their
 19 approval of funding of projects that the highest priority is given to knowledge-based
 20 companies in fulfillment of the purposes and intentions of the purposes of this
 21 section.

22 ➔Section 7. KRS 154.20-150 is amended to read as follows:

23 (1) On or before October 1, 1992, and on or before the first day of every third month
 24 thereafter, the authority shall provide a written project status report to the
 25 Legislative Research Commission, and the authority shall be compelled to send a
 26 representative to testify on the project status report and the authority shall provide
 27 additional information on any projects upon request by the Legislative Research

Commission. The written project status report shall include but is not limited to:

- (a) The current status of each project under consideration by the authority, the proposed cost of a project, for each project under consideration, including any proposed financial obligations of the authority, the number of jobs to be created or retained by each project under consideration, and a description of the applicants with respect to each project under consideration; and
- (b) The current status of each project, along with an updated cost for each project in progress, including any financial obligations of the authority and a description of the principals with respect to each project in progress.

(2) On or before November 1~~[the first day]~~ of each ~~[fiscal]~~ year, the authority shall submit an overview report to the Legislative Research Commission and the Governor as required in Section 1 of this Act, on the success or failure of each completed project, in order to determine the effectiveness of the Kentucky Economic Development Finance Authority.

(3) In addition to the project status report, all construction, reconstruction, or alteration, financed or facilitated in whole or in part by the authority shall be reported to the Office of Employment and Training within the Department of Workforce Investment in the Education and Workforce Development Cabinet and to the Kentucky Legislative Research Commission not later than fifteen (15) days following the end of the month in which the agreement or contract facilitating or permitting such activity was executed. This construction activity report shall be subject to public information requests as provided by KRS 61.878. Reports shall list subject construction activity by location of project site, and shall specify the type of construction, project owner, estimated cost of project, and estimated starting and completion dates if known.

➔ Section 8. KRS 154.27-050 is amended to read as follows:

- (1) The department may release to an approved company any sales tax incentives under

1 KRS 139.517 and 154.27-070 after review of the request for incentives required by
 2 KRS 139.517 and determination of the amount due regardless of whether the
 3 minimum capital investment has been made as required by the tax incentive
 4 agreement.

5 (2) The authority shall monitor all tax incentive agreements. The authority may seek
 6 assistance from the Department for Energy Development and Independence, the
 7 Department of Revenue, the Center for Applied Energy Research, or other entities
 8 or individuals in performing its monitoring functions.

9 (3) The department shall track the amount of revenues released and incentives received
 10 for each eligible project under each tax incentive agreement and shall provide the
 11 authority the information upon request.

12 (4) By November 1 of each year~~[On or before December 1, 2008, and every December~~
 13 ~~1 thereafter]~~, the authority and the department shall jointly prepare a report for the
 14 Governor and the Legislative Research Commission, as required in Section 1 of
 15 this Act. The report shall include a list of all companies with which tax incentive
 16 agreements have been entered into and a summary of the terms of each agreement,
 17 including the type of facility approved, product to be produced, estimated output
 18 upon completion, required minimum capital investment and maximum recovery,
 19 incentives approved by type of tax and amount, activation date, and termination
 20 date.

21 ➔Section 9. KRS 154.31-030 is amended to read as follows:

22 (1) The application, approval, and monitoring process under this subchapter shall be as
 23 follows:

24 (a) An eligible company with a proposed economic development project may
 25 submit an application to the authority. The application shall include the
 26 information required by subsection (3) of this section;

27 (b) Upon review of the application and any additional information submitted, the

1 authority may, by resolution, approve an economic development project and
2 authorize the negotiation and execution of an agreement pursuant to
3 subsection (4) of this section. Approval granted pursuant to this subsection
4 shall apply to a specific economic development project at a specific location
5 within the Commonwealth;

6 (c) Upon approval, the authority shall notify the department that an approved
7 company is eligible for a sales and use tax incentive under this subchapter and
8 shall provide the department with the information necessary to monitor the
9 use of incentives by the approved company. The authority shall notify the
10 department if the agreement is extended or amended, or if the incentives are
11 transferred, and shall provide the department with the information necessary
12 to update its records; and

13 (d) The approved company shall be eligible to receive the sales and use tax
14 incentives authorized by the agreement upon the earlier of the completion of
15 the economic development project or expiration of the project term. The
16 approved company shall apply to the department for the sales and use tax
17 incentives as provided in KRS 139.535, and shall, during the project term,
18 submit all information required by the department as provided in KRS
19 139.535.

20 (2) The authority may establish standards for the review of applications and the
21 approval of eligible companies through the promulgation of administrative
22 regulations in accordance with KRS Chapter 13A. In reviewing applications and
23 establishing standards, the authority shall consider the creditworthiness of the
24 eligible company, employment opportunities for Kentucky residents, wages to be
25 paid, whether the eligible company is participating in other incentive programs
26 pursuant to KRS Chapter 154 for the project, the likelihood that the project will be
27 an economic success, and any other factors the authority determines to be relevant.

- 1 (3) The application submitted by an eligible company shall include but not be limited to
 2 the following:
- 3 (a) A description of the proposed economic development project;
 - 4 (b) The anticipated minimum investment in the proposed economic development
 5 project;
 - 6 (c) An estimate of the approved recovery amount that the company will seek;
 - 7 (d) A timeline for completion of the proposed economic development project;
 - 8 (e) Supporting documentation, as requested by the authority;
 - 9 (f) Payment of any applicable application fee required by the authority; and
 - 10 (g) Any other information requested by the authority.
- 11 (4) (a) Upon approval of an eligible company, the authority may enter into an
 12 agreement with the approved company. The terms of the agreement shall be
 13 determined by negotiations between the authority and the approved company,
 14 and shall include but not be limited to the following provisions:
- 15 1. The project term;
 - 16 2. A description of the economic development project;
 - 17 3. The total approved recovery amount in each category for which the
 18 approved company is eligible;
 - 19 4. That the approved company shall maintain all records and
 20 documentation relating to eligible expenditures and the Kentucky sales
 21 and use tax paid, and shall provide those records and documentation to
 22 the authority or the department upon request;
 - 23 5. That the approved company shall execute information-sharing
 24 agreements prescribed by the department with contractors, vendors, and
 25 other related parties to verify the costs of and payment of sales and use
 26 tax on the tangible personal property eligible for the sales and use tax
 27 incentive under this subchapter;

1 6. That the sales and use tax incentives shall not be assignable or
2 transferable without written notice to the authority and approval of the
3 authority; and

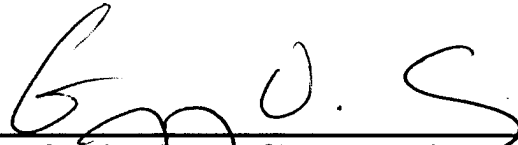
4 7. Any other provisions not inconsistent with this subchapter.

5 (b) The project term established in the agreement may be extended by approval of
6 the authority for good cause shown; however, the term shall not be extended
7 beyond seven (7) years from the date of approval.

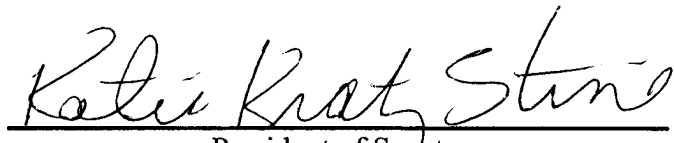
8 (c) An approved company may transfer or assign its designation as an approved
9 company upon prior notification to the authority and approval of the authority
10 in a manner prescribed by the authority.

11 (5) The contents of a company's filings under this subchapter shall be subject to the
12 Kentucky Open Records Act, KRS 61.870 to 61.884.

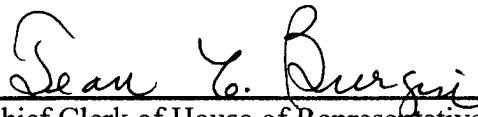
13 (6) The authority shall annually submit a complete and detailed report of the use of the
14 sales and use tax incentives and participation of approved companies under this
15 subchapter by November 1 of each year~~[within one hundred twenty (120) days after~~
16 ~~the end of each fiscal year]~~ to the Legislative Research Commission and to the
17 Governor, as required in Section 1 of this Act.



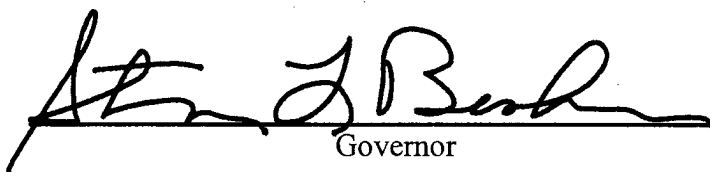
Speaker-House of Representatives



President of Senate

Attest: 

Chief Clerk of House of Representatives

Approved 

Governor

Date 4/25/14